



GOCHNOUR & ASSOCIATES, INC.

5231 South Quebec
Greenwood Village, CO 80111

Tel (303) 770-7580
Fax (303) 770-7564

December 20, 1999

Mr. Anthony Gallegos
State of Utah
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

RECEIVED

DEC 21 1999

DIVISION OF OIL, GAS & MINING

Mr. Will Stokes
Utah School and Institutional Trust Lands Administration (SITLA)
675 East 500 South, Suite 500
Salt Lake city, UT 84102

**RE: Lisbon Valley Mining Co. LLC (Summo USA Corporation - Operator)
Request to Perform Mineral Exploration (Drilling), Winter 1999/2000- Lisbon Valley Project**

Gentlemen:

Per recent phone conversations, Lisbon Valley Mining Co. LLC (Summo USA Corporation - Manager) hereby requests approval from the Division of Oil, Gas & Mining (DOGM) and Utah School and Institutional Trust Lands Administration (SITLA) to access and drill fifteen (15) mineral exploration holes/sites at the Lisbon Valley Project. The proposed activities are located on State Trust Land (Mineral Lease #20569) in Section 36, T30S, R25E.

Access to seven (7) of the proposed drill sites will be via existing trails. Access to three (3) sites (A, B, and F) will require 375 linear feet of overland tracking (no blade construction). Five (5) sites (I, K, L, N, & O) will require 825 linear feet of blade work to brush cut the access route. The width of trail/access impact will be up to 20 feet ($1200' \times 20' = 24000$ sq. ft or .55 acres).

Drill sites will be 20' X 40'. The projected disturbance for 15 sites is .275 acres. Drilling depths will vary from 400 feet to 500 feet. Drill holes will be 5 inches in diameter. A map of proposed access routes and drill sites is provided as **Attachment 1**.

Total disturbance for the entire proposed exploration program will be .825 acres.

The equipment that will be utilized to perform this proposed activity includes one minimal impact all-terrain reverse-circulation drill rig and support vehicles (pick-ups and drill rig support vehicles, etc.). Minor earthmoving equipment (dozer and/or backhoe) will be needed for this request to provide safe access, a level drilling surface, sumps to contain excess drill cutting material, and for reclamation activities.

No cultural resources or sensitive species of vegetation or wildlife are anticipated to be impacted by this request since proposed activities are located within existing/previously disturbed sites.

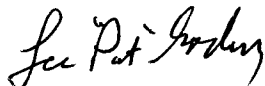
Mr. Tony Gallegos
Mr. Will Stokes
December 20, 1999
Page 2

Following completion of the drilling activities, the areas will be cleaned up. Cuttings will be shoveled back down the holes and the sites will be graded, contoured, and seeded. Groundwater may be encountered in four (4) of the exploration holes (Sites C, D, E, & I). Groundwater could be encountered at depths greater than 400 feet below surface in this area. If encountered, this will require a bentonite seal (plug) upon abandonment. For bonding purposes, Summo has projected 400 feet of bentonite plugging these holes. Reopened access trails will also be graded, contoured and reseeded. All support equipment and supplies will be removed from the site. An estimate of reclamation costs for bonding purposes is provided in **Attachment 2**.

Summo has completed all site reclamation (grading, contouring, and reseeding) for exploration activities performed during the fall of 1999. A Mineral Exploration Progress Report (Form MR-EPR) is attached for your review and files. Is it possible to substitute the reclamation bond that currently is being held for these completed activities? We would welcome the opportunity to host a site tour of completed reclamation and proposed drilling activities. If this is not possible, appropriate bonding instruments will be filed.

Summo wishes to begin exploration drilling in late January/early February. If you have any questions regarding this request, please contact me at the listed letterhead number.

Sincerely,



Lee "Pat" Gochnour
Consultant to Summo USA Corporation

Attachments (2)

cc: Bob Prescott - Summo
Bill Stringer - BLM (For reclamation review of 1999 exploration activities)

STATE OF UTAH, DEPARTMENT OF NATURAL RESOURCES, DIVISION OF OIL, GAS AND MINING
355 WEST NORTH TEMPLE, 3 TRIAD CENTER, SUITE 350, SALT LAKE CITY, UTAH 84180-1201, TELEPHONE: (801) 538-5340

MINERAL EXPLORATION PROGRESS REPORT

PURSUANT TO THE TERMS OF SECTION 40-8-13(2) OF THE MINED LAND RECLAMATION ACT AND RULE R647-2-113, INFORMATION PROVIDED IN THIS REPORT SHALL BE PROTECTED AS CONFIDENTIAL INFORMATION BY THE DIVISION.

DOGM EXPLORATION FILE # EXP / 037/ 088

PROJECT NAME: Lisbon Valley Copper

COUNTY: San Juan

DATE OF COMPLETION FOR ALL RECLAMATION WORK, INCLUDING RESEEDING: December 1, 1999

BRIEFLY DESCRIBE THE EXPLORATION WORK THAT WAS PERFORMED (FOR DRILL HOLES, SEE PAGE 2):

Exploration consisted of drilling 10 reverse circulation holes

See page 2 for Drill Hole Progress Report

BRIEFLY DESCRIBE THE RECLAMATION WORK PERFORMED: Drill holes were backfilled with cuttings and a cement plug at the surface
Drill hole 99R2 was backfilled with bentonite. Mud pits were backfilled and sites were recontoured. Sites and access routes were
ripped and seeded

HAS ANY PORTION OF THE EXPLORATION PROJECT BEEN LEFT UNRECLAIMED? No IF YES, PLEASE EXPLAIN.

I HEREBY CERTIFY THAT (UNLESS OTHERWISE NOTED ABOVE), ALL DRILL HOLES HAVE BEEN PLUGGED AND ABANDONED IN COMPLIANCE WITH THE TERMS OF RULE R647-2-108, THAT (UNLESS OTHERWISE NOTED ABOVE), RECLAMATION OF ALL DISTURBED LANDS HAS BEEN PERFORMED IN COMPLIANCE WITH THE TERMS OF RULE R647-2-109, AND THAT THESE ACTIVITIES HAVE BEEN CONDUCTED AS OUTLINED IN THE NOTICE OF INTENTION TO COMMENCE EXPLORATION.

Summit USA Corp. by Charles F. Bauer

NAME OF OPERATOR (TYPE OR PRINT)

P. O. Box 847

ADDRESS OF OPERATOR

Moab, Utah 84532

CITY/STATE/ZIP

12-10-99

DATE

SIGNATURE OF OPERATOR

Senior Consulting Geologist

TITLE OF OPERATOR

(435) 259-3077

PHONE

